

# EXHIBIT M



**Madoff Victim Fund**  
P.O. Box 6310  
Syracuse, NY 13217-6310



October 23, 2018

Brett S. Moore, Esq.  
Porzio Bromberg & Newman P.C.  
156 West 56<sup>th</sup> Street  
New York, N.Y. 10019-3800

Dear Mr. Moore:

I am responding to your letter of September 20, 2018 to the Madoff Victim Fund on behalf of investors in Luxalpha SICAV. I serve as counsel to Richard C. Breeden, who is Special Master for the U.S. Department of Justice ("DOJ" or the "Department") overseeing the Madoff Victim Fund ("MVF").

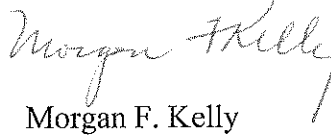
MVF requires all approved victims to disclose their recoveries from all sources. This is necessary so that MVF can comply with DOJ's regulations that prohibit any claimant being paid more than their actual loss, including all payments they have already received or are reasonably likely to receive. In addition, the process approved by the Department requires that in calculating a victim's loss, MVF deduct from the victim's original loss all compensating payments that the victim has received, or is likely to receive, from all other sources. We have not been able to do that with regard to the MVF victims who invested through Luxalpha due to the fact that Luxalpha's claims in the Madoff bankruptcy remain unresolved.

The Luxalpha liquidators are still litigating with the trustee for the Madoff bankruptcy estate. As a result, Luxalpha has not yet received the distributions that would otherwise be paid to it by the estate once the litigation is resolved. Resolution of the litigation could result in a payment in excess of 65% of Luxalpha's losses, which is the approximate level of payouts from the Madoff estate on allowed claims to date. Since MVF has already made a distribution to the Luxalpha investors of 25% less non-bankruptcy collateral recoveries, any further significant payments by MVF could potentially push Luxalpha investors over a 100% aggregate future recovery in violation of DOJ regulations. In the circumstances, any additional MVF distributions will be withheld until the Luxalpha victims can provide information as to their likely bankruptcy recoveries.

MVF is not a party to the nearly decade-long litigation between Luxalpha and the Madoff trustee, and as a result we do not have any insights into why the litigation has proceeded so slowly. For the sake of all the parties, we hope that this litigation can be concluded before too long. For now, MVF has maintained a reserve sufficient to pay the Luxalpha investors a second distribution should that be appropriate after Luxalpha resolves its litigation with the trustee. MVF will follow a similar procedure in MVF's upcoming third distribution.

However, when MVF approaches final distribution of its remaining funds, we cannot guarantee that these reserves will be maintained. It is quite possible that claims with uncertain collateral recovery amounts will have to be disallowed to enable MVF to wind up its existence without further cost or uncertainty for other victims. We are not at that point now, but at some point the need to finalize MVF's *pro rata* payout percentage and wind up its affairs could conceivably force MVF and DOJ to disallow remaining claims that are contingent in amount and pay out the MVF balance to those whose claims can be quantified. We hope to avoid any such outcome for the Luxalpha victims. We sincerely hope that this litigation can be resolved before MVF is forced to redirect funds currently reserved for the Luxalpha investor claims.

Very truly yours,



Morgan F. Kelly